

**Speech by Bennett W. Raley
Assistant Secretary for Water and Science
U.S. Department of the Interior
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It is wonderful to be out of Washington D.C. It is strange, but there are a lot of unhappy people in D.C. – people who said that the President’s tax cuts would not be good for the economy. Well, they were wrong, and all of the data shows that America is back on track. We also do not understand why it is wrong to let people spend their own money instead of the government doing it for them. Well, President Bush trusts each of you to make decisions on how you spend the money you earn far more than he trusts Washington D.C. to do it for you.

I also bring you greetings from Jason Peltier. I am sorry to report that he is rather worthless at the moment, as he has recused himself from involvement in any California issues while his name is on one of the many lists that are circulating for consideration by Governor Schwarzenegger’s team. He could not even help me with this speech, a fact that will probably become apparent to all as I proceed.

The Interior Department looks forward to working with your new Governor, regardless of who is ultimately selected for the team.

Unlike the last two years, it is a great pleasure to be here today. I must tell you that Secretary Norton and I derived no pleasure from the role that the Department had to play in the course of resolving issues associated with California’s commitment in 1931 to limit its use of Colorado River water to 4.4 million acre feet.

When we gathered at Hoover Dam on October 16th, we celebrated your success in resolving one of the most difficult set of issues that the Colorado River has known since the signing of the Colorado River Compact in 1922.

President Bush recognized the historic nature of your success in his statement that day. And I can now tell you that Secretary Norton briefed the President on the status of your efforts on a number of occasions. The President, Secretary Norton, and I salute all of you today. We know that your success did not come easily, that it required relentless perseverance, the patience of Job, and a fundamental commitment to protect and honor the Law of the Colorado River.

With your success, chaos on the River has been avoided, and the Law of the River has grown stronger. In fact, you might say that the Law of the River has passed its most crucial test – the test of whether it meant anything at all. Had we failed this test, all of the Colorado River Basin states, including California, would have been at risk once the allocation of the right of use of water departed from the structure that has been so carefully developed over the past 102 years.

This President and this Secretary believe that treaties, compacts, water rights, and contracts are to be honored – not ignored.

But our work is not done. We all know that the future brings yet more challenges as we work to provide the citizens of this state with water to drink, water to farm with, and water to sustain the ecosystems that make California one of the most glorious places on earth.

As we face these challenges, it is important that we keep in mind the fact that the stakes are far higher than they have ever been in the past. Unlike the last century, when water issues were intense, but limited to local and regional impacts, the water issues in California effect economies and resources of national importance.

And unlike the last century, when conflicts focused on drought years or competition for a water supply for the future, the conflicts we face today and in the near future exist in normal water years and deal with existing needs.

This new paradigm drives a new reality – unless the people of California are willing to choose a future characterized by conflict and decisions made in the midst of a crisis, it will no longer be possible to entertain ourselves with decades of wrangling and fighting. This model worked when we had decades to spare, but not today.

This new reality is the foundation of Secretary Norton's Water 2025 Initiative.

Water 2025 stands for the propositions that the combination of explosive population growth and the need to provide for environmental protection and enhancement requires action today if we are to avoid serious policy-level crises in the near future, and it is virtually impossible to make sound long-term decisions once you are in the midst of a crisis.

All of the realities that are identified in Water 2025 are present in California. We know that you understand these realities. You created CALFED to provide a structure for making decisions and taking action to avoid crises, and it has worked pretty well so far.

I trust that you will allow me, as both an outsider and a newcomer to California water, to make several observations. And in the spirit of Water 2025, I will characterize these observations as "realities", although I recognize that I may be uniquely incapable of defining reality in the same way that the good people of California do.

Reality Number 1. Like the Colorado River over the past several years, CALFED is at a critical point in its history. If CALFED is to succeed, it must make the transition from a process for planning to a process for action. The ROD is a document that defines goals and processes. If CALFED is to succeed, it must move deeper into an action and implementation mode. If it does not make this transition, decision-making and actions will occur in other forums.

Reality Number 2. It is time for CALFED to recognize that it will not have 8 Billion dollars to spend over 7 years in Phase 1. I commend the Authority and the BDPAC for starting to grapple with this issue, and suggest that you too get serious about this reality.

Reality Number 3. It is time for California interests to stop fighting between themselves on CALFED legislative elements. You cannot expect Senator Feinstein, Chairman Pombo, Mr. Calvert, and the other members of your delegation to be able to press forward in Washington while you are in disarray back here.

Reality Number 4. I agree with Senator Feinstein, Chairman Pombo, and Mr. Calvert that California cannot meet the needs of its citizens, farms, and the environment without more storage. However, endless wrangles about which site or alternative are effectively a decision to not proceed with storage.

Reality Number 5. Just as the environmental community needs to honor the commitment of CALFED regarding water supplies, the water community needs to honor the need to develop these supplies in a manner that is consistent with the environmental goals of CALFED. Without both, there is no balance, and without balance, there is no CALFED.

Reality Number 6. Ag to Urban transfers will occur. Your challenge will be to find a way for these transfers to occur that strengthens, and not destroy, important agriculture in a particular area. Likewise, you will have to find the right balance between protecting historic lifestyles and rendering transfers infeasible because of demands for mitigation of third party impacts or external factors.

California has much to be proud of. Your success on the Colorado River, your long commitment to CALFED, the extremely important work in Phase 8 and the Napa Agreement, the gains in environmental protection and recovery of listed species, and many other elements of your work mark you as one of the true leaders in western water policy.

If you continue this work, and deal with these realities, we will stay the course.

California is simply too important to do otherwise.